

Timothy Keck, Interim Secretary

Sam Brownback, Governor

To: House Health and Human Services Committee
From: Kelli Ludlum, KDADS Assistant Secretary
Date: March 10, 2016
Subject: SB 449, Behavioral sciences regulatory board amendments

Chairman Hawkins and members of the Committee:

I appreciate the opportunity to present testimony on SB 449, legislation regarding professions licensed by the Behavioral Sciences Regulatory Board (BSRB). BSRB statutes and regulations directly impact KDADS' work, and there is significant overlap, in particular, with the Addiction Counselor Licensure Act. KDADS supported the original version of SB 449 introduced in the Senate Public Health and Welfare Committee last month.

KDADS suggests two amendments that we believe would improve SB 449. The first relates to terminology used in statute referring to addiction counselors. While new statutes were enacted in 2011 to allow the BSRB to license addiction counselors, some terminology was inadvertently omitted and references to "licensed addiction counselor" and "licensed clinical addiction counselor" need to be clarified. KDADS has introduced legislation, SB 448, to achieve this revision. However, it would be simpler to add one sentence to SB 449 to meet the same purpose. The BSRB has indicated their concurrence with this addition, and we have submitted suggested language to the revisor to accomplish the goal described.

When SB 449 was considered on the Senate floor, an amendment regarding state psychiatric hospitals was added. This amendment would prohibit "outsourcing" any operations or facilities of the state psychiatric hospitals at Larned and Osawatomie. The purpose of the amendment had never been the subject of a committee hearing; rather, it was drafted and added on the floor with no prior notice and very little discussion.

The consequences of the hospital anti-privatization language are significant and severe. KDADS currently contracts for such functions as food service and some medical services, including specialized medical practices for which a full-time employee is neither necessary nor cost-effective. These contracts could be invalidated by the language in SB 449, potentially impairing continued service delivery. At a minimum, their legality would be in jeopardy.

In addition, KDADS utilizes staffing agencies to provide contract workers when full-time employees are simply not available. Temporary nursing staffing is not a first choice; however, it is utilized to maintain sufficient hospital operations and ensure quality patient care when vacancies occur. Contract nurses currently help to alleviate the burden of excessive overtime for full-time employees while both Osawatomie State Hospital (OSH) and Larned State Hospital (LSH) engage in aggressive employee recruitment and retention efforts. OSH and LSH are making good progress towards reducing vacancy rates, especially since the first of the year, and we expect that to be reflected in a decreasing number of vacancies over the coming months. In the meantime, it is critical to maintain the option of contract staff to fill necessary shifts. If the current version of SB 449 were enacted, that option would be lost and the impact would be devastating.

KDADS is considering a Request for Proposals (RFP) to examine a public-private partnership to operate some aspects of OSH. Those RFP discussions are still in preliminary stages and we welcome the legislature's engagement. We expect legislators to exercise due diligence and oversight of the process, should we proceed with issuing an RFP in the future. In accordance with a proviso in the budget bill signed last week, KDADS is required to seek legislative approval prior to expending funds on a contract resulting from any such RFP. We are looking at specific ways to further involve the legislature in an RFP process. KDADS has introduced legislation related to employee classifications, particularly for senior administrative hospital positions, which will be heard in the Senate Ways and Means Committee next week, and we expect to discuss some of those specifics for potential legislative engagement at that time. We believe the Senate bill and its hearing are the appropriate vehicle and venue for such important conversations.

For these reasons, we strongly urge the committee to strike the language in SB 449 regarding hospital privatization. The concerns the language seeks to address are already covered in law via the recently-enacted budget. Perhaps even more important and certainly more immediate, the unintended consequences of the language could devastate services provided by contracts already in place at a time when attaining recertification of OSH necessitates KDADS retaining its ability to utilize every available option in furtherance of that goal.

Thank you for your time. I welcome the opportunity to answer any questions you may have for KDADS regarding this bill.